

# **THE WEXPRO STIPULATION AND AGREEMENT**

**Executed:**

**October 14, 1981**

**Approved:**

**October 28, 1981**

**by Public Service Commission of Wyoming**

**December 31, 1981**

**by Public Service Commission of Utah**

**Parties:**

**Mountain Fuel Supply Company**

**Wexpro Company**

**Utah Department of Business Regulations,  
Division of Public Utilities**

**Utah Committee of Consumer Services  
Staff of Wyoming Public Service Commission**





## **PREFACE**

This pamphlet is a reprinting of a comprehensive stipulation and agreement reached in October 1981 as the culmination of several years of administrative and judicial proceedings that have become known collectively as "the Wexpro Case."

On October 14, 1981, Mountain Fuel Supply Company, Wexpro Company (a wholly owned affiliate of Mountain Fuel), the Utah Division of Public Utilities, the Utah Committee of Consumer Services and the Staff of the Public Service Commission of Wyoming executed the "Wexpro Agreement," which provides a detailed structure for the ongoing operation of various oil-and-gas properties that had been the subject of extensive controversy and litigation over the prior several years.

As an adjunct to the Wexpro Agreement, two stipulations were entered into to provide the regulatory framework necessary to carry out the operational aspects of that agreement. One stipulation involves Mountain Fuel, Wexpro and the Utah agencies; the other involves Mountain Fuel, Wexpro and the Wyoming PSC Staff. The two stipulations are substantially the same and provide a brief historical background of the case, as well as rate treatment of various revenues and costs, auditing and monitoring functions, and dispute resolution. (This pamphlet reprints only the Utah Stipulation; the Wyoming Stipulation is not reprinted as it contains no material differences from the Utah version.)

In addition to the text of the Wexpro Agreement and the Utah Stipulation, this pamphlet includes a schematic diagram of some of the "geometric" aspects of the Agreement. This diagram is *not* a formal part of the contractual relationship set forth in the Stipulations and Agreement and is provided only to illustrate some of the complex relationships described in the Wexpro Agreement.

**THE WEXPRO CASE  
PRIMARY ADMINISTRATIVE  
AND JUDICIAL PROCEEDINGS**

*In re Mountain Fuel  
Supply Co.*, PSCU Case  
No. 76-057-14

Original Wexpro Case proceeding.  
Approval of certain transfers of  
properties to nonutility subsidiary by  
PSCU order, dated April 17, 1978.

*Committee of Consumer  
Services v. Public Service  
Commission*, 591 P.2d 871  
(Utah 1979), cert. denied  
*sub nom. Mountain Fuel  
Supply Co. v. Public  
Service Commission*, 444  
U.S. 1014 (1980)

Utah Supreme Court opinion  
overturning 1978 PSC order and  
remanding to the Commission for  
further proceedings. Mountain Fuel's  
petition to the U.S. Supreme Court for  
review denied.

*Mountain Fuel Supply Co.  
v. Public Service  
Commission*, Civ. No. C80-  
0710J (D. Utah, July 28,  
1981)

Federal court case seeking declaration  
that PSC regulation of contested  
properties violated U.S. Constitution.  
Dismissed, without prejudice to refile  
at a later time. October 14, 1981,  
Stipulation provides that the action  
will not be refiled.

*In re Mountain Fuel  
Supply Co.*, PSCU Case  
No. 76-057-14

Proceeding on remand from the Utah  
Supreme Court. Long, intensive  
settlement negotiations resulted in the  
Wexpro Stipulations and Agreement.  
Approved by PSCU on December 31,  
1981.

*In re Mountain Fuel  
Supply Co.*, PSCW Docket  
No. 9192 Sub 68

Wyoming Stipulation and Wexpro  
Agreement approved by PSCW on  
October 28, 1981.

*Utah Department of  
Administrative Services v.  
Public Service Commission*,  
658 P.2d 601 (Utah 1983)

Wexpro Stipulations and Agreement  
reviewed by the Utah Supreme Court  
and found to be a lawful resolution of  
the issues and not inconsistent with  
previous judicial decisions.